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ABSTRACT

The growing scarcity of money for schools and school-related groups has forced many administrators and parent-teacher organizations to seek alternative sources of funds. One of the most effective methods is a fund-raising campaign selling products. More than 2,000 fund-raising companies that supply products and provide a variety of services and guidance to schools now operate in the United States and Canada. This publication offers guidelines to schools and their fund-rasing coordinators in choosing the right products, company, and program. Other factors to consider are the age, experience, and number of student volunteers; additional company services; and implementation of a student incentive system. Lists of tips and popular fund-raising products are included. (LMI)

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HERE'S HOW

NATIONAL ASSOCIATION OF ELEMENTARY SCHOOL PRINCIPALS

How to Run an Effective Fund-Raiser

Russell A. Lemieux

The growing scarcity of money for schools and school-related groups has forced many administrators and parent-teacher organizations to seek alternative sources of funds. While options can include carnivals, bake sales, car washes, and charity events, one of the most effective methods is a fund-raising campaign selling products—from books and candy to toys and bird food (*see box*).

Thousands of schools participate in such fund-raising programs each year. The money raised enables them to purchase items and services that contribute to children's education and to the enrichment of their lives—things such as computers, team uniforms, sheet music, playground equipment, and field trips. In addition, however, a fund-raising program can educate, build self-esteem, and promote organization, school, and community spirit.

Coordinating a fund-raiser has sometimes been a daunting proposition for organizations, particularly if the coordinator changed each year. Today, however, there are products and programs for fund-raising that maximize a school's financial return and minimize the time invested by volunteers and advisors. Better still, many products and programs have been tested through time and bring a reasonable certainty of success.

More than 2,000 fund-raising companies now operate in the U. S. and Canada. Most are small businesses or product manufacturer representatives who work directly with schools, PTAs, booster clubs, church groups, and scouting groups. In addition to supplying products, they provide a variety of services and guidance on the best approaches to raising funds.

The many products and programs available mean more options (and decisions) for schools and their fund-raising coordinators. Which fund-raising company will best meet the needs of the school? Which product will work best?

Choosing the Right Products

The most basic question is usually, "What are we going to sell?" Thousands of fund-raising products range from candy, cookies, and other edibles to wrapping paper, ornaments, jewelry, and a wide range of gifts and novelties.

The first—and most important—step in narrowing the choice of products is to insist on *high-quality* merchandise. Generally, people are willing to support a worthy cause, but they don't want to pay for inferior or overpriced products. And since most fund-raisers are annual or semiannual events, success depends on repeat sales. If a school is associated with high-quality items, people will continue to support its fund-raisers year after year.

Price is another important factor. Obviously, fund-raising coordinators must make sure the school's profit will meet its financial goal. However, they should be careful not to select a program only on the percentage profit offered. *A higher percentage does not guarantee higher profits for the school.*

In other pricing considerations, the suggested retail price of the product should be in tune with the age of the students doing the selling. If older students have sales primarily around the school, they may have more success with inexpensive items ($1-$5). With younger students, it is likely (and usually encouraged) that parents will help with the selling, and in these cases, more expensive items ($5 and up) could be effective.

Russell A. Lemieux is executive director of the Association of Fund Raisers and Direct Sellers in Atlanta, Georgia.

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When setting a price for products, also consider the income level of the community. Matching prices with what the people in your area can reasonably afford will give your program its best chance for success. Also, consider whether the retail price of the product represents a fair market value.

And don't choose a product just because it's "new" or "hot." Although such products can generate a lot of excitement for your program, and may be successful fund-raisers, they don't have the track record to compare with more traditional items. Depending on the school's fund-raising goal, it may make more sense to sell products that are proven "winners." An experienced fund-raising company can advise you on the products that will work best for your school and your area.

Choosing the Right Company

A key decision is selecting a fund-raising company. In some areas, dozens of companies compete for business, and while this can be an advantage for fund-raising organizers, it increases the importance of taking time to thoroughly evaluate a company before agreeing to a program.

The most important criterion in evaluating a company is service. Let the company explain what it will do to make your fund-raiser a success and, importantly, how it will make your job easier. Allow representatives to demonstrate their expertise, and ask for—and check—references from other principals and school administrators to find out if the company delivers on what it promises. Some important questions to ask:

- How long has the company (and its representative) been in the fund-raising business?
- Specifically, how will it help with the program (kickoff presentation, teacher/parent letters, handling returned merchandise)?
- Will it tailor the program to fit your school's particular needs?
- Does the company understand and comply with your state sales tax laws? How will these laws impact your program?
- Is student safety a key element of the program?
- Does the company guarantee its products?
- What is its policy on replacing damaged products?
- Will it give the school credit for or buy back undeliverable or unsold goods?
- How responsive is it to problems like incorrect or lost orders?
- Does it emphasize the educational value of the program for students (working with money, selling)?

An essential factor is the personal relationship between the school and the company's representative. Because the school's reputation is at stake, fund-raising coordinators must completely trust the company and be confident that it will operate with integrity and high ethical standards.

How the students perceive the company's representatives is also important. Are they sincere? Do they take a personal interest in your school's goals and concerns? Do they really believe in the products and services offered? Students respond best to individuals they trust, admire, and respect.

Popular Fund-Raising Products

These are some of the foods, gifts, and novelties offered by fund-raising companies that belong to the Association of Fund Raisers and Direct Sellers.

- Books
- Calendars
- Candy and confections
- Cassette tapes and compact discs
- Ceramics
- Cheese and cheese spreads
- Clothing and accessories
- Coffee
- Cookies
- Coupon books, gift checks
- Custom-printed mugs, sports bottles, cushions, etc.
- Desk accessories
- Edible items in decorative tins
- Fresh and dried fruit
- Frozen entrees
- Giftwrap
- Gourmet food items
- Greeting cards
- Holiday ornaments and novelties
- Jewelry
- Long-distance telephone service
- Magazine subscriptions
- Meat snacks and other products
- Nuts
- Picture frames
- Pies and other baked goods
- Plants and flowers
- Popcorn, pretzels, other snack foods
- Posters
- Preserves, mustards, condiments
- Safety and first aid kits
- Sauces
- Soap products
- Spices
- Sports pennants, cards, novelties
- Stationery
- Sweatshirts and T-shirts
- Toys
- Window and wall decorations
- Wild bird food

PROFESSIONAL ADVISORY

This article is in support of the following standards from *Proficiencies for Principals* (NAESP 1991).

Leadership. The principal must identify and creatively coordinate the use of available human, material, and financial resources to achieve the school's mission and goals.

Fiscal Management. The principal must exercise creativity in finding new resources for supporting the school's program.

One way to determine a company's integrity and professionalism is to see if it is a member of the Association of Fund Raisers and Direct Sellers (AFRDS), the only national association devoted exclusively to the product fund-raising industry. Its more than 600 member companies must adhere to a strict code of ethical and professional standards.

Choosing the Best Program

Because of the competitive nature of the fund-raising industry, schools generally can choose from a variety of programs which vary not only in the products offered, but also in how they are sold, shipped, delivered to the students, and distributed to the consumers.

Groups can order products and programs through sales representatives for national or regional companies, local fund-raising companies who market in a particular region, or from catalogs. There is no single preferred type of, or source for, fund-raising programs. Often, the fund-raising organizer's experience determines which programs are used. A coordinator with several years experience may opt to simply purchase a program through a catalog, while less experienced coordinators might prefer the personal advice of a salesperson.

There are two primary types of programs—order takers and direct sales. *Order taker programs* generally work this way: Consumers select a product from a brochure. In some instances, students also carry a "sample kit" with samples of products shown in the brochure. Students (or parents) log the selection on an order form. All order forms are returned together to the fund-raising company. The company fills the orders and ships products to the schools. Products are distributed to students. Students or parents deliver products to the consumer. Funds may be collected at the time of selection or on delivery.

Other mechanics of such programs can vary widely. Some may require the school to tally orders, figure collections, and sort merchandise on delivery, while others may have computerized tallying and pre-sorted products.

Order taker programs have several advantages:

- There is no guesswork on how much of a product to order.
- Brochures allow you to offer a wide variety of products.
- It is convenient for adults to assist with the selling.
- It is good for selling more expensive items.

Direct sale programs generally follow this pattern: Schools purchase a quantity of products. These are distributed to students or volunteers who, in turn, sell them directly to the consumer. Funds are collected at the point of sale. The advantages of this program are:

- It requires only one contact with individual consumers.
- The program length can be shorter (important if funds are needed quickly).
- Consumers can see the products before making a decision.

Other Factors to Consider

Choosing the best program for your school or organization depends on many factors—the age and number of your students or volunteers, their experience in fund-raising, and your financial goals. Be sure to choose a program that students and parents can rally around.

A common mistake by fund-raising coordinators is to place too much importance on the percentage of sales which will be kept by the school. One

Fund-Raising Tips

Here are some fund-raising tips from the Association of Fund Raisers and Direct Sellers:

- Establish a clear financial goal before evaluating products or programs. Knowing how much money you need to raise will make decisions easier.
- Don't let your school's profits be eaten away by "hidden" costs (freight, prizes, overruns). Ask questions ahead of time and make the necessary adjustments.
- Select your fund-raising program early to assure time for planning.
- Check with neighboring schools to avoid duplicating campaigns and products.
- Set specific beginning and ending dates for your fund-raiser and stick to them.
- Rely on fund-raising professionals for suggestions and advice.
- Don't let your program fizzle. Some organizers lose interest once a program begins; stay motivated until the end to assure success
- Keep energy levels high before, during, and after the program by reminding students, parents, and teachers of your goals and deadlines. Provide frequent status reports and updates.
- Avoid problems by working closely with students to be sure all order forms are legible and filled out completely.
- Keep copies of all forms turned in by students before you send them to the fund-raising company.
- Assure efficient handling of products. Have adult volunteers help distribute the products to the students.
- Double-check the products shipped to your school against the order forms; check each box or bag for damaged or missing merchandise before sending students out for delivery.
- Communicate with students who miss the program's kickoff or other important meetings.

company might offer the school 45 percent of sales, while another offers only 35 percent. However, the company offering the higher percentage may not provide quality products or services, such as consulting, kickoffs, timely delivery of merchandise, custom packing, or incentive programs, which the other company provides. It may be better to choose a program with a smaller percentage return if the overall program will help ensure success.

Also, some companies which offer a higher percentage may compensate by inflating the cost of the product, with the result that the consumer is less likely to purchase it. It's better to make 35 percent of something than 45 percent of nothing.

Although meeting school goals can sometimes provide adequate incentive for volunteers, often prizes and incentives can be a valuable element of a fund-raising program, making selling more fun for the students while increasing profits for the school. The age of the students and the goals of the program are key factors when selecting prizes.

The best prize programs usually involve as many volunteers as possible. Awards can be based on the number of sales (a student who sells less than five items might choose prizes from category A, while a student who sells six or more could choose from category B). Caution: Be clear up front what the prize program will cost and how it will impact the organization's profits. Is there a separate cost for prizes, or is the cost built into the percentage which goes to the company?

Whatever program or product you choose, remember to have fun! With the right approach, fund-raising can be educational and enjoyable for everyone concerned. □

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